



COURT FILE NUMBER

**B301-037330**

B301-037334

B301-037338

B301-037340

COURT

COURT OF KING'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

NB  
C21241  
COM Feb 16, 2024

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF RAZOR  
ENERGY CORP., RAZOR ROYALTIES LIMITED  
PARTNERSHIP, RAZOR HOLDINGS GP CORP., AND  
BLADE ENERGY SERVICES CORP.

DOCUMENT

**FIRST REPORT TO COURT OF FTI CONSULTING  
CANADA INC., IN ITS CAPACITY AS PROPOSAL  
TRUSTEE OF RAZOR ENERGY CORP., RAZOR  
ROYALTIES LIMITED PARTNERSHIP, RAZOR  
HOLDINGS GP CORP., AND BLADE ENERGY  
SERVICES CORP.**

**February 14, 2024**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## FIRST REPORT OF THE PROPOSAL TRUSTEE

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**Appendix “A”** – Certificates of Filing a Notice of Intention to Make a Proposal

**Appendix “B”** – Cash flow statements for the period ending March 3, 2024

## INTRODUCTION

1. On January 30, 2024 (the “**Filing Date**”), Razor Energy Corp. (“**Razor Energy**”), Razor Royalties Limited Partnership (“**Razor Royalties LP**”), Razor Holdings GP Corp. (“**Razor Holdings**”), and Blade Energy Services Corp. (“**Blade**” and collectively with Razor Energy, Razor Royalties LP, and Razor Holdings, the “**Razor Entities**”), each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”). Attached as **Appendix “A**” hereto are the Certificates of Filing of a Notice of Intention to Make a Proposal for each of the Razor Entities issued by the Office of the Superintendent of Bankruptcy (the “**OSB**”).
2. FTI Consulting Canada Inc. (“**FTI**”), a licensed insolvency trustee, consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings of the Razor Entities (the “**Proceedings**”).
3. This first report of the Proposal Trustee (the “**First Report**”) is being delivered in connection with the Razor Entities’ application currently scheduled to be heard on February 16, 2024 (the “**February 16 Application**”), seeking an Order from the Court of King’s Bench of Alberta (the “**Court**”), among other things:
  - (a) declaring that Conifer Energy Inc. (“**Conifer**”) is in breach of the stay of proceedings (the “**Stay**”) under Section 69 of the BIA with respect to Razor Energy and its property; and
  - (b) directing Conifer to immediately: (i) cease restricting Razor Energy’s access to the Judy Creek Gas Conversation Plant (the “**Judy Creek Gas Plant**”); and (ii) resume processing Razor Energy’s gas and providing fuel gas to Razor Energy (the “**Services**”).

4. This First Report should be read in conjunction with the Affidavit of Doug Bailey, sworn on February 13, 2024 (the “**Bailey Affidavit**”), which describes in more detail the Razor Entities’ operations and the circumstances leading to their current situation.
5. Electronic copies of all materials filed by the Razor Entities in connection with the February 16 Application and other statutory materials are available on the Proposal Trustee’s website at: <http://cfcanada.fticonsulting.com/razor-blade> (the “**Website**”).

## **PURPOSE**

6. FTI, in its capacity as Proposal Trustee, has reviewed the Court materials filed by the Razor Entities in support of the February 16 Application. The purpose of this First Report is to provide information to this Honourable Court pertaining to:
  - (a) the background of the Razor Entities, including Razor Energy’s oil and gas operations, and the circumstances surrounding the commencement of these Proceedings;
  - (b) the activities of the Proposal Trustee;
  - (c) Razor Energy’s application directing Conifer to provide the Services;
  - (d) the cash flow statements for the Razor Entities for the period from January 29, 2024 to March 3, 2024, (collectively, the “**Cash Flow Statements**”) which were filed on February 8, 2024, with the OSB as is required by the BIA with respect to these Proceedings;
  - (e) the cash flow statement for Razor Energy (the “**Razor Energy Cash Flow Statement**”) that relates specifically to its oil and gas operations;

- (f) the Judy Creek Forecast (as defined in the Bailey Affidavit) which illustrates the incremental cash flow available to Razor Energy in a scenario in which production is brought back online from the South Swan Hills Assets (as defined below), by March 1, 2024, and processed at the Judy Creek Gas Plant; and
- (g) the Proposal Trustee's conclusions.

## TERMS OF REFERENCE

- 7. Capitalized terms used but not defined herein are given the meaning ascribed to them in the Bailey Affidavit.
- 8. In preparing this First Report, the Proposal Trustee has relied upon unaudited financial information, other information available to the Proposal Trustee and, where appropriate, Razor Entities' books and records and discussions with various parties (collectively, the "**Information**").
- 9. Except as described in this First Report:
  - (a) the Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*;
  - (b) the Proposal Trustee has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*; and
  - (c) future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.



10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
11. The Proposal Trustee has prepared this First Report in connection with the February 16 Application. This First Report should not be relied on for other purposes.
12. Information and advice described in this First Report that has been provided to the Proposal Trustee by its legal counsel, Blake, Cassels & Graydon LLP (the “**Proposal Trustee’s Counsel**”) and was provided to assist the Proposal Trustee in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.

## **OBJECTIVES**

13. The primary objectives of these Proceedings are to:
  - (a) ensure the Razor Entities have the necessary stability to maintain ongoing operations while they seek to restructure their financial affairs; and
  - (b) provide a forum to effectuate a restructuring transaction for the benefit of the Razor Entities’ creditors.

## **BACKGROUND**

14. Detailed information with respect to the Razor Entities’ business, operations and causes of financial difficulty are described in the Bailey Affidavit. The information contained in this First Report provides a summary of the Razor Entities’ business and affairs.
15. Razor Energy is a publicly traded junior oil and gas development and production company, incorporated pursuant to the laws of the Province of Alberta.

16. Razor Energy owns all the Razor Entities' operating and non-operating petroleum and natural gas assets, with the exception of certain royalty interests held by Razor Royalties LP.
17. Blade is an oilfield services company, which provides services such as fluid handling, earthworks, and general labour primarily to Razor Energy, incorporated pursuant to the laws of the Province of Alberta. Its primary assets include oilfield service and ancillary equipment.
18. Razor Holdings is a holding corporation, which was incorporated for the purpose of acting as the general partner of Razor Royalties LP and holding general partner units in Razor Royalties LP. Razor holdings has no ongoing operations or cash flow.
19. Razor Royalties LP is a partnership, formed in connection with a loan transaction, to hold certain gross overriding royalty interests and has no ongoing operations or cash flow.
20. As at the Filing Date, Razor Energy employed approximately 35 full-time employees and Blade employed approximately 25 full-time employees. The Razor Entities also had approximately 20 contractors for field operations.

### **Oil and Gas Operations**

21. Razor Energy holds various producing assets and exploration and production rights, including:
  - (a) assets related to the Swan Hills Beaverhill Lake formation, including the South Swan Hills assets (the “**South Swan Hill Assets**”), which are located in the Swan Hills region of Alberta and form part of the Beaverhill Lake Group, a geologic unit located in northern Alberta;
  - (b) assets related to a formation referred to as Kaybob, located in northern Alberta (the “**Kaybob Assets**”); and

(c) assets related to formations in southern Alberta (the “**District South Assets**”).

22. As described in the Bailey Affidavit, Razor Energy’s relationship with Conifer is related to the South Swan Hills Assets which comprise a significant portion of Razor Energy’s production (approximately 28% based on average production volumes for the three months ended September 30, 2023).

#### **ACTIVITIES OF THE PROPOSAL TRUSTEE**

23. Prior to filing the Razor Entities’ NOI in these Proceedings, the Razor Entities engaged FTI as their restructuring advisor on January 26, 2024. FTI met with the Razor Entities’ management extensively, including its chief executive officer and chief financial officer.

24. On January 30, 2024, the Razor Entities commenced the Proceedings by authorizing FTI to file the required documentation with the OSB.

25. On January 31, 2024, the OSB returned the certificates of filing to the Proposal Trustee, confirming the Filing Date of January 30, 2024.

26. The Proposal Trustee established the Website to facilitate communications with creditors and stakeholders and has posted the following documents on the Website for each of the Razor Entities:

(a) Form 33 – Notice of Intention to Make a Proposal;

(b) a listing of creditors with claims in excess of \$250; and

(c) the Certificate of Filing a Notice of Intention to Make a Proposal.

27. The Proposal Trustee prepared and mailed the notices required under section 50.4(6) of the BIA and posted them to the Website.

28. The Proposal Trustee reviewed the management prepared Cash Flow Statements and filed the documentation required under section 50.4(2) on February 8, 2024.
29. The Proposal Trustee met with management and Peters & Co. Limited (the “**Sales Agent**”) to coordinate a public asset divesture process (the “**Sales Process**”). The Sales Agent commenced the Sales Process on February 6, 2024, with an email distribution announcing the Sales Process.
30. The Proposal Trustee is currently working with the Razor Entities to prepare 13-week cash flow forecasts for the Razor Entities that will be filed in advance of an Application currently scheduled for February 28, 2024.

## CASH FLOW STATEMENTS

31. On February 8, 2024, management of the Razor Entities, in consultation with the Proposal Trustee, prepared Cash Flow Statements for the Razor Entities for the five-week period ending March 3, 2024, which were filed with the OSB and are attached at **Appendix “B”** to this First Report. The key assumptions with respect to the Cash Flow Statements are also included at Appendix “B”.
32. A summary of the receipts and disbursements for each of the Razor Entities is set out in the table below.

<b>Razor Entities</b>					
<b>For the 5 week period ending March 3, 2024</b>					
	<b>Razor</b>				<b>Razor</b>
	<b>Razor</b>	<b>Blade</b>	<b>Royalties</b>	<b>Razor</b>	<b>Razor</b>
<b>(000s)</b>	<b>Energy</b>		<b>LP</b>	<b>Holdings</b>	<b>Entities</b>
Receipts	\$ 3,320	\$ 625	\$ 39	\$ -	<b>\$ 3,984</b>
Disbursements	(4,603)	(584)	(39)	-	<b>(5,227)</b>
<b>Net change in cash</b>	<b>(1,283)</b>	<b>41</b>	-	-	<b>(1,242)</b>
Opening cash	2,328	111	-	-	<b>2,439</b>
<b>Ending cash</b>	<b>\$ 1,045</b>	<b>\$ 152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,197</b>

33. Razor Energy is the entity directly affected from an operational and cash flow perspective with respect to the restriction of its access to the Judy Creek Gas Plant. A summary of the Razor Energy Cash Flow Statement is set out below:

<b>Razor Energy</b>	<b>Total</b>
<b>For the 5 week period ending March 3, 2024</b>	
(C\$ 000s)	
<b>Receipts</b>	
Net production revenue	\$ 3,239
Other receipts	81
<b>Total - Receipts</b>	<b>3,320</b>
<b>Disbursements</b>	
Operating expenses	(2,012)
Transportation costs	(327)
Lease rentals	(179)
Insurance	(247)
BESC service agreement	(200)
BESC funding	(425)
Payroll	(532)
Professional Fees	(500)
G&A expense	(181)
<b>Total - Disbursements</b>	<b>(4,603)</b>
<b>Net cash flow</b>	<b>(1,283)</b>
<b>Opening cash balance</b>	<b>2,328</b>
<b>Ending cash balance</b>	<b>\$ 1,045</b>

34. The Razor Energy Cash Flow Statement set out above contemplates that access to the Judy Creek Gas Plant remains restricted and, therefore, excludes any cash flow from the South Swan Hill Assets. The Razor Energy Cash Flow Statement indicates that Razor Energy will have negative net cash flow of approximately \$1.3 million, including:

- (a) cash receipts of approximately \$3.3 million, primarily related to the collection of petroleum and natural gas sales;

- (b) cash disbursements of approximately \$4.6 million primarily related to trade payments, insurance premiums, payroll and benefits, Blade service agreement and funding, other operating disbursements, and professional fees; and
  - (c) Razor Energy's negative cash flow for the period reduces its opening cash balance \$2.3 million to \$1.0 million.
35. The Razor Energy Cash Flow Statement is derived from the corporate monthly model and excludes cash flow from the South Swan Hill Assets due to Razor Energy's inability to process gas at the Judy Creek Gas Plant at present.
36. Management has prepared an iteration of the corporate model to illustrate Razor Energy's operating cash flow for the balance of 2024 which reflects the assumption of resumed processing of Razor Energy's gas (from the South Swan Hill Assets) at the Judy Creek Gas Plant, effective March 1, 2024, as illustrated at paragraph 43 of the Bailey Affidavit and referred to as the Judy Creek Forecast (discussed in further detail below).
37. The Proposal Trustee is working with management to update the Cash Flow Statements in connection with the Application currently scheduled for February 28, 2024. We expect these materials will be filed with this Honourable Court on or around February 20, 2024.

## **DISPUTE WITH CONIFER**

38. Razor Energy (as successor to PennWest Energy Corporation) and Conifer (as successor to Pengrowth Energy Corporation) are parties to the Agreement for the Ownership and Operation of the Judy Creek Gas Plant, dated effective March 1, 2011 (the "**Ownership and Operating Agreement**").
39. Razor Energy holds an approximately 38.1% interest and Conifer holds an approximately 54.8% interest in the Judy Creek Gas Plant, and the remaining interests are held by 8 other arm's length parties.

40. All of Razor Energy's natural gas and oil production from the South Swan Hills Assets is processed at and tied-in to the Judy Creek Gas Plant.
41. Until approximately December 23, 2023, Conifer had been processing and marketing Razor Energy's gas and natural gas liquids sales, and would set-off amounts due and owing for handling and processing fees to Conifer from the proceeds of sale.
42. Conifer contends that Razor Energy owes it approximately \$8.2 million with respect to amounts payable under the Ownership and Operating Agreement. As described in the Bailey Affidavit, Razor Energy disputes certain amounts owing under the Ownership and Operating Agreement.
43. Conifer restricted Razor Energy's access to the Judy Creek Gas Plant which resulted in approximately 900 boe/d of production being shut-in since approximately December 24, 2023.
44. The Razor Entities have commenced the Sales Process, through which it is soliciting offers to purchase its assets and property, including oil and gas properties that are shut-in as a result of Conifer restricting access to the Judy Creek Gas Plant.
45. As described in the Bailey Affidavit, the South Swan Hill Assets account for a significant portion of Razor Energy's production. Further, Razor Energy requires the revenue from the shut-in oil and gas properties, including the processing of its gas, to fund working capital requirements.
46. As a result of the properties being shut-in, the Proposal Trustee believes the marketing of the South Swan Hill Assets will be more challenging, potentially reduce realization and limit interested parties.

47. On February 7, 2024, the Proposal Trustee and the Proposal Trustee's Counsel met with counsel to Conifer to discuss the Proceedings and the dispute between Razor Energy and Conifer and attempt to assist in resolving the dispute. However, as of the date of this First Report, Razor Energy and Conifer continue to have differing views on the interpretation of the relevant provisions under the BIA.

## JUDY CREEK FORECAST

48. As referenced in paragraph 36, above, Razor Energy has, in consultation with the Proposal Trustee, prepared an updated monthly forecast for 2024 which forecasts Razor Energy's operating income in the scenario where the South Swan Hills production is brought back online by March 1, 2024, with gas being processed at the Judy Creek Gas Plant. The incremental production from the South Swan Hills Assets is estimated at approximately 600 boe/d.

<b>Razor Energy</b>			
<b>Operated - Annual</b>	<b>JCGP</b>	<b>No JCGP</b>	<b>Variance</b>
Revenue	\$ 45,263,337	\$ 33,704,623	\$ 11,558,714
Royalties	(9,188,546)	(6,876,804)	(2,311,743)
Opex	(25,992,328)	(23,031,300)	(2,961,028)
Fixed	(11,588,376)	(11,588,376)	-
Variable	(6,930,709)	(5,504,702)	(1,426,007)
Electricity	(7,473,243)	(5,938,222)	(1,535,021)
Transportation & Processing	(7,129,931)	(3,835,053)	(3,294,878)
<b>Operating Income</b>	<b>\$ 2,952,532</b>	<b>\$ (38,533)</b>	<b>\$ 2,991,064</b>

49. The Proposal Trustee notes the following with respect to the Judy Creek Forecast which covers the 12-month period from January 2024 to December 2024:



- (a) average monthly operated production of 1,946 boe/d which includes an incremental production increase of 600 boe/d from the South Swan Hills Assets for the remainder of 2024. Prior to the shut-in, South Swan Hill Assets produced approximately 900 boe/d. Management notes that certain wells utilize downhole equipment that may require additional work to bring production online after an extended outage, therefore have estimated 600 boe/d for the Swan Hill Assets going forward;
  - (b) revenue forecast to be \$45.3 million with access to the Judy Creek Gas Plant compared with \$33.7 million without access which represents a variance of \$11.6 million over the forecast period which is consistent with increased production;
  - (c) royalties expense of \$9.2 million and transportation and processing expense of \$7.1 million are forecast to be higher with access to the Judy Creek Gas Plant which is consistent with increased production;
  - (d) operating expense of \$26.0 million with access to the Judy Creek Gas Plant is consistent on a per boe basis; and
  - (e) the estimated net operating income with access to the Judy Creek Gas Plant is \$2.9 million compared to negative operating income of \$38,533 without access.
50. The Judy Creek Forecast is based on current production rates from each operating area adjusted for natural decline rates:
- (a) price forecast based on third party estimates for commodity prices adjusted for Razor Energy's quality adjustments;
  - (b) royalty rates based on historical rates for various operating areas; and

- (c) operating expenses based on estimates for annual fixed costs and variable costs on a per boe basis.
51. The incremental estimated net operating income/cash flow for the South Swan Hill Assets for the period of January 1, 2024 to December 31, 2024, based on the assumptions outlined above, is approximately \$3.0 million which would accrue to Razor Energy assuming the resumption of services.
52. The Proposal Trustee has reviewed the Judy Creek Forecast, in conjunction with the information provided by management in support of the probable assumptions of the forecast and note they appear reasonable.

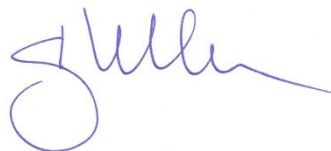
## CONCLUSIONS

53. The Razor Entities and their management are acting in good faith and with due diligence in taking steps to facilitate a restructuring of the business.
54. The Judy Creek Forecast indicates incremental estimated net operating income/ cash flow from the South Swan Hill Assets for the period of January 1, 2024 to December 31, 2024, of approximately \$3.0 million which would provide additional working capital to fund the Proceedings and are material to the overall working capital of Razor Energy. The incremental positive cash flow as set out in the Judy Creek Forecast of \$250,000 to \$300,000 per month is material relative to the overall operations of the Razor Entities and would provide additional liquidity to continue with their overall restructuring efforts, the Sales Process, and enhance the prospects of maximizing values in the Sales Process.

55. Razor Energy has no other viable means to process its South Swan Hills Assets production as it is tied-in to the Judy Creek Gas Plant without an alternative facility available. Marketing the South Swan Hills Assets while shut-in will likely lead to lower potential realizations which would negatively impact Razor Energy's stakeholders. Razor Energy has offered a \$200,000 cash deposit to Conifer as security to cover potential increased costs and extraordinary obligations arising after the Filing Date to the extent there is a shortfall owing to Conifer after Conifer markets Razor Energy's post-filing production and nets the proceeds of sale against the charges related to producing such post-filing production.

All of which is respectfully submitted this 14th day of February 2024.

FTI Consulting Canada Inc.  
Licensed Insolvency Trustee  
in its capacity as Proposal Trustee of  
Razor Energy Corp., Razor Royalties Limited  
Partnership, Razor Holdings GP Corp., and  
Blade Energy Services Corp.,  
not in its personal or corporate capacity



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Name: Deryck Helkaa, CPA, CA, CIRP, LIT  
Title: Senior Managing Director,  
FTI Consulting Canada Inc.

First Report of FTI Consulting Canada Inc.,

In its capacity as Proposal Trustee of Razor Energy Corp., Razor Royalties Limited Partnership, Razor Holdings GP Corp., and Blade Energy Services Corp.

## **Appendix “A” – Certificates of Filing a Notice of Intention to Make a Proposal**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-3037334  
Estate No. 25-3037334

In the Matter of the Notice of Intention to make a proposal of:

**Razor Energy Corp.**

Insolvent Person

**FTI CONSULTING CANADA INC.**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

January 30, 2024

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 31, 2024, 10:42

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

**Canada**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-3037340  
Estate No. 25-3037340

In the Matter of the Notice of Intention to make a proposal of:

**Razor Royalties Limited Partnership**

Insolvent Person

**FTI CONSULTING CANADA INC.**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

January 30, 2024

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 31, 2024, 10:40

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

**Canada**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-3037338  
Estate No. 25-3037338

In the Matter of the Notice of Intention to make a proposal of:

**Razor Holdings GP Corp.**

Insolvent Person

**FTI CONSULTING CANADA INC.**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

January 30, 2024

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 31, 2024, 10:41

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

**Canada**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-3037330  
Estate No. 25-3037330

In the Matter of the Notice of Intention to make a proposal of:

**Blade Energy Services Corp.**

Insolvent Person

**FTI CONSULTING CANADA INC.**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

January 30, 2024

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 31, 2024, 10:42

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

**Canada**<sup>131</sup>



First Report of FTI Consulting Canada Inc.,  
In its capacity as Proposal Trustee of Razor Energy Corp., Razor Royalties Limited Partnership, Razor Holdings GP Corp., and  
Blade Energy Services Corp.

## **Appendix “B” – Cash flow statements for the period ending March 3, 2024**

**Razor Energy Corp.**

Projected Cash Flow Statement for the period of January 29, 2024 to March 3, 2024

Projected Cash Flow Statement		Week 1	Week 2	Week 3	Week 4	Week 5	Total
(C\$ 000s)	Week Ending	4-Feb	11-Feb	18-Feb	25-Feb	3-Mar	
<b>Receipts</b>							
Net production revenue	1	\$ -	\$ -	\$ 773	\$ -	\$ 2,466	\$ 3,239
Other receipts	2	1	20	20	20	20	81
<b>Total - Receipts</b>		<b>1</b>	<b>20</b>	<b>793</b>	<b>20</b>	<b>2,486</b>	<b>3,320</b>
<b>Disbursements</b>							
Operating expenses	3	(149)	(525)	-	-	(1,337)	(2,012)
Transportation costs	4	-	-	-	-	(327)	(327)
Lease rentals	5	-	-	(179)	-	-	(179)
Insurance	6	-	(242)	(5)	-	-	(247)
BESC service agreement	7	-	-	-	-	(200)	(200)
BESC funding	8	(100)	(75)	(100)	-	(150)	(425)
Payroll	9	(182)	-	(175)	-	(175)	(532)
Professional Fees	10	(325)	-	-	-	(175)	(500)
G&A expense	11	(61)	(30)	(30)	(20)	(40)	(181)
<b>Total - Disbursements</b>		<b>(817)</b>	<b>(872)</b>	<b>(489)</b>	<b>(20)</b>	<b>(2,405)</b>	<b>(4,603)</b>
<b>Net cash flow</b>		<b>(816)</b>	<b>(852)</b>	<b>303</b>	<b>-</b>	<b>82</b>	<b>(1,283)</b>
<b>Opening cash balance</b>		<b>2,328</b>	<b>1,512</b>	<b>660</b>	<b>963</b>	<b>963</b>	<b>2,328</b>
<b>Ending cash balance</b>		<b>\$ 1,512</b>	<b>\$ 660</b>	<b>\$ 963</b>	<b>\$ 963</b>	<b>\$ 1,045</b>	<b>\$ 1,045</b>



RAZOR ENERGY CORP.

Per: Doug Bailey, President and CEO



 FTI CONSULTING CANADA INC., TRUSTEE UNDER THE  
 NOTICE OF INTENTION TO MAKE A PROPOSAL  
 Per: Dustin Olver, LIT
**Notes:**

Management of Razor Energy Corp. ("REC") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of REC during the period of January 29, 2024 to March 3, 2024. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Net production revenue relates to the sale of REC's petroleum and natural gas production and is based on forecast production volumes and pricing. Further, it assumes Judy Creek Gas Plant production remains shut-in and no additional revenue received from non-operated production. Crown royalties for oil production are paid in kind.
- 2 Other receipts consist of third-party road use fees, partner joint interest billings, etc.
- 3 Operating expenses are based on the annual operating budget and relates to the costs associated with the operation of oil and natural gas wells.
- 4 Transportation costs relate to transporting REC's petroleum and natural gas production from well head to market and is based on projected production volumes and transportation rates.
- 5 Lease rentals are based on REC's annual budget.
- 6 Insurance is based on current policy premiums.
- 7 BESC service agreement are payments for hauling and grading services.
- 8 BESC funding is the amount transferred to BESC to cover its liquidity requirements.
- 9 Payroll is based on the most recent payroll register.
- 10 Professional fees include estimates for proposal trustee and their legal counsel, REC's legal counsel, and sales advisor.
- 11 G&A expense includes overhead costs based on the annual budget.

**Razor Royalties Limited Partnership**

Projected Cash Flow Statement for the period of January 29, 2024 to March 3, 2024

Projected Cash Flow Statement		Week 1	Week 2	Week 3	Week 4	Week 5	Total
(C\$ 000s)	Week Ending	4-Feb	11-Feb	18-Feb	25-Feb	3-Mar	
<b>Receipts</b>							
Revenue	1	\$ 39	\$ -	\$ -	\$ -	\$ -	\$ 39
<b>Total - Receipts</b>		<b>39</b>	-	-	-	-	<b>39</b>
<b>Disbursements</b>							
Margin call expense	2	(39)	-	-	-	-	(39)
<b>Total - Disbursements</b>		<b>(39)</b>	-	-	-	-	<b>(39)</b>
<b>Net cash flow</b>		-	-	-	-	-	-
<b>Opening cash balance</b>		-	-	-	-	-	-
<b>Ending cash balance</b>	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -




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 RAZOR ROYALTIES LIMITED PARTNERSHIP

Per: Doug Bailey, President and CEO




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 FTI CONSULTING CANADA INC., TRUSTEE UNDER THE

NOTICE OF INTENTION TO MAKE A PROPOSAL

Per: Dustin Olver, LIT

**Notes:**

Management of Razor Royalties Limited Partnership ("RRLP") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of RRLP during the period of January 29, 2024 to March 3, 2024. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Revenue relates to funds from Razor Energy Corp. to cover liquidity requirements.
- 2 Expense to cover margin call requirements.
- 3 There is a nominal cash balance.

**Razor Holdings GP Corp.**

Projected Cash Flow Statement for the period of January 29, 2024 to March 3, 2024

Projected Cash Flow Statement		Week 1	Week 2	Week 3	Week 4	Week 5	Total
(C\$ 000s)	Week Ending	4-Feb	11-Feb	18-Feb	25-Feb	3-Mar	
<b>Receipts</b>							
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total - Receipts</b>		-	-	-	-	-	-
<b>Disbursements</b>							
Expense		-	-	-	-	-	-
<b>Total - Disbursements</b>		-	-	-	-	-	-
<b>Net cash flow</b>		-	-	-	-	-	-
<b>Opening cash balance</b>		-	-	-	-	-	-
<b>Ending cash balance</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



RAZOR HOLDINGS GP CORP.

Per: Doug Bailey, President and CEO



FTI CONSULTING CANADA INC., TRUSTEE UNDER THE

NOTICE OF INTENTION TO MAKE A PROPOSAL

Per: Dustin Olver, LIT

**Notes:**

Management of Razor Holdings GP Corp. ("RHGPC") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of RHGPC during the period of January 29, 2024 to March 3, 2024. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Not an operating entity and therefore no receipts, disbursements or cash balance.

**Blade Energy Services Corp.**

Projected Cash Flow Statement for the period of January 29, 2024 to March 3, 2024

Projected Cash Flow Statement		Week 1	Week 2	Week 3	Week 4	Week 5	Total
(C\$ 000s)	Week Ending	4-Feb	11-Feb	18-Feb	25-Feb	3-Mar	
<b>Receipts</b>							
Revenue	1	\$ 100	\$ 75	\$ 100	\$ -	\$ 350	\$ 625
<b>Total - Receipts</b>		<b>100</b>	<b>75</b>	<b>100</b>	<b>-</b>	<b>350</b>	<b>625</b>
<b>Disbursements</b>							
Operating expenses	2	(95)	(49)	(10)	-	(122)	(276)
Insurance	3	-	-	(6)	-	-	(6)
Payroll	4	(77)	-	(80)	-	(80)	(237)
G&A expense	5	(6)	(20)	-	-	(39)	(65)
<b>Total - Disbursements</b>		<b>(178)</b>	<b>(69)</b>	<b>(96)</b>	<b>-</b>	<b>(241)</b>	<b>(584)</b>
<b>Net cash flow</b>		<b>(78)</b>	<b>6</b>	<b>4</b>	<b>-</b>	<b>109</b>	<b>41</b>
<b>Opening cash balance</b>		<b>111</b>	<b>33</b>	<b>39</b>	<b>43</b>	<b>43</b>	<b>111</b>
<b>Ending cash balance</b>		<b>\$ 33</b>	<b>\$ 39</b>	<b>\$ 43</b>	<b>\$ 43</b>	<b>\$ 152</b>	<b>\$ 152</b>



BLADE ENERGY SERVICES CORP.

Per: Doug Bailey, CEO



FTI CONSULTING CANADA INC., TRUSTEE UNDER THE

NOTICE OF INTENTION TO MAKE A PROPOSAL

Per: Dustin Olver, LIT

**Notes:**

Management of Blade Energy Services Corp. ("BESC") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of BESC during the period of January 29, 2024 to March 3, 2024. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Revenue relates to fluid hauling and grading services and additional funds from Razor Energy Corp. to cover its liquidity requirements.
- 2 Operating expenses consists of fuel, maintenance, and vehicles leases based on projected use of services.
- 3 Insurance is based on current policy premiums.
- 4 Payroll is based on the most recent payroll register.
- 5 G&A expense is overhead costs including rent, IT, safety, etc.